DOCUMENT RESUME

ED 300 642 CE 051 315

AUTHOR Cronin, Carol
TITLE Health Benefits for an Aging Workforce: Issues and Strategies.
INSTITUTION Washington Business Group on Health, Washington, DC.
SPONS AGENCY American Association of Retired Persons, Washington, D.C.
PUB DATE Mar 88
NOTE 32p.
PUB TYPE Reports - Research/Technical (143)

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS *Aging (Individuals); Decision Making; Demography; Financial Support; *Fringe Benefits; *Health Care Costs; *Health Insurance; *Health Promotion; *Inplant Programs; Management Development; Program Design; Program Development; Retirement Benefits

ABSTRACT

This report examines how U.S. businesses will be affected by the demographic changes in an aging society. As employers, as funders of retirement income and health programs, and as community citizens facing the needs of a graying population, businesses will need to develop new strategies to address current and future change. A concurrent trend of great importance to U.S. businesses is the rise in health care costs paid for employees, dependents, and retirees. This booklet is intended to assist company benefit managers in developing and implementing health care benefit plans. It includes six sections on issues that have a profound effect on the types and costs of health benefits that companies can provide to an aging work force: company size, the changing demographics, health profiles of the older work force, company health cost management profiles, worksite wellness activities, and attitudes and perceptions of the older worker. Each of these sections contains a statement of purpose, background information, and discussions of the implications for benefit managers and related management decisions. The final section contains strategies for employee education, benefit redesign, health program development, data access, and management education. (MN)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED300642

Health Benefits for an Aging Workforce:

Issues and Strategies

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☑ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

Washington Business Group on Health

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

The Washington Business Group on Health

American Association of Retired Persons

CE051315

Health Benefits for an Aging Workforce:

Issues and Strategies
March 1988

Prepared by:
Carol Cronin
Vice-President
Washington Business Group on Health

Washington Business Group on Health

The Washington Business Group on Health was established in 1974 to give business a credible voice in the formulation of federal health policy. WBGH's Institute on Aging, Work and Health was founded in 1983 and addresses aging-related employment and health benefit issues.

AARP

The American Association of Retired Persons is a membership organization of more than 28 million older adults. One third of the AARP membership is working either full or part time. Its Worker Equity Initiative strives to change attitudes, policies and practices that result in unequal treatment of older workers.

Partial funding for this report was provided by AARP.

Contents

I. Introduction	4
II. Company Size	7
III. The Changing Workforce	9
IV. Health Profiles of the Older Workforce	12
V. Company Health Cost Management Profile	17
VI. Worksite Wellness Activities	21
VII. Attitudes and Perceptions of the Older Worker	24
VIII. Conclusion	27

I. Introduction

America is aging. This demographic fact will affect the short- and long-range planning of every American organization. Institutions nationwide are making changes to meet the needs of current and future older adults. Universities are upgrading continuing education classes to appeal to older learners; retailers are designing fashion lines to attract older consumers; and the mass media is developing entertainment programs based on older persons.

American business will be affected by the demographic changes in an aging society. As employers, as funders of retirement income and health programs and as community citizens facing the needs of a graying population, business will need to develop new strategies to address current and future change.

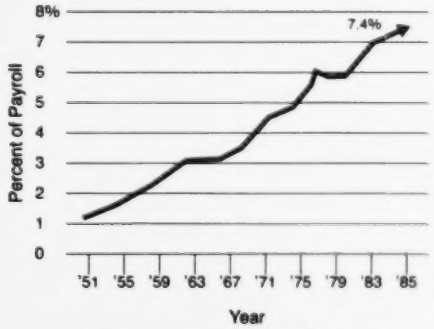
A concurrent trend of great importance to American business is the rise in health care costs paid for employees, dependents and retirees. Statistics from the Chamber of Commerce 1984 Employee Benefit Annual Survey indicate that insurance payments as a percent of gross payroll increased from 1.4% in 1951 to 7.4% in 1984 (Figure 1.1). Contributing to the inflationary nature of health care spending has been the cost of new technologies and the lack of incentives to control the use of health care.

To address this latter trend, many employers have introduced a wide range of strategies based on the concept of better managing the cost and use of health services covered under their benefit plans. A 1985 survey conducted by The Equitable documents the range of cost management strategies implemented in health plans during the last three years. As indicated in Figure 1.2, many of the strategies seek to alter the use of health services as well as the cost of those services to employers.

An important first step in conducting effective health cost management strategies in any business is gathering information. This report seeks to provide you, as an employee benefit decision maker, with information about the potential impact of aging on your workforce and how you can better target health cost management efforts with reference to workers over age 40. Age 40 was chosen for this tool because it defines an older worker under the Federal Age Discrimination in Employment Act (ADEA) which protects workers over the age of 40 from arbitrary discrimination based on age. In addition, those who are over 40 today were born prior to the baby boom generation, and therefore exposed to a different set of values, experiences and historical events — particularly with reference to the health care system.

Figure 1.1

Insurance* Payments as Percent of Payroll, 1951-1984
(Employer's Share Only)



* Includes net premiums paid for life, hospital, surgical, medical, and major medical insurance, plus death, surgical, and medical care payments not insured. Does not include sick leave pay.

Source: U.S. Chamber of Commerce

Why focus on older workers?

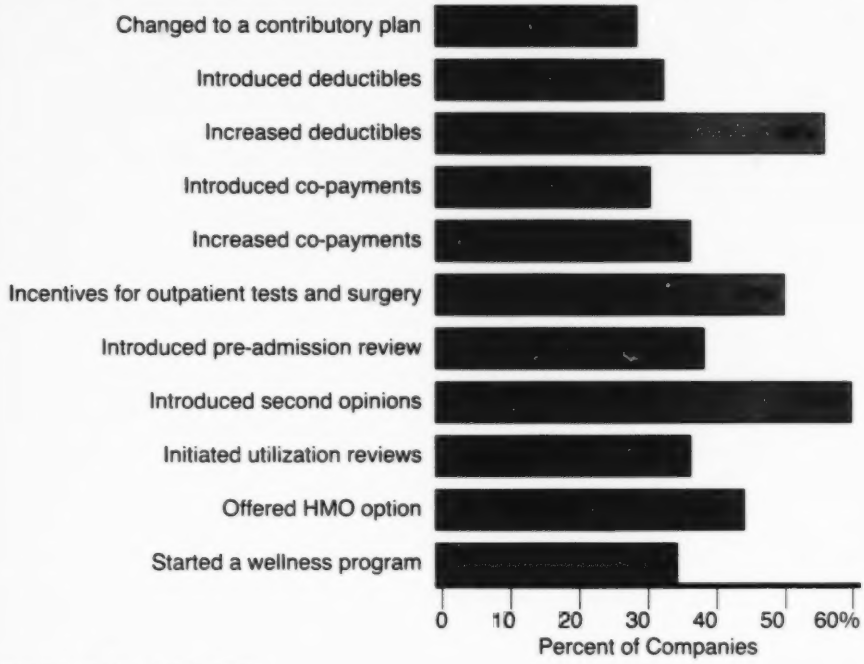
There are several factors justifying an examination of health benefit issues for workers over 40:

- **The American workforce is growing more middle-aged.**

  Employees over 40 comprise a large segment of the labor force in most worksites. According to projections released by the Department of Labor, the 1995 labor force will be older than the 1975 labor force. The baby boomers, generally those born between 1946 and 1964, will raise the median age of the labor force

Figure 1.2

Most Prevalent Health Plan Changes Made in the Last 3 Years



Source: The Equitable, 1985

from 35.2 years in 1984 to 37.6 years in 1990. There is some variation among groups, but the trend is clear.

- **Many of the diseases experienced by workers over 40 are related to lifestyle choices.**

  The three major causes of death for adults — heart disease, cancer and stroke — are related to risk factors such as smoking, hypertension and obesity which individuals can modify over the life course.

- **The health care sector has changed tremendously over the past 25 years.**

  These changes have created generational differences in attitudes and knowledge about health. Workers now age 40–65 were born and raised between 1921 and 1946 in a health care environment dominated by physicians and hospitals. A 55-year-old worker today faces a health care arena comprised of health maintenance organizations (HMOs), preferred provider organizations (PPOs), surgicenters and other new forms of health care delivery.

- **Corporate responsibility for the health care costs of the "working aged" has shifted from Medicare to employer benefit plans.**

  Since the 1982 Tax Equity and Fiscal Responsibility Act was passed, employers with 20 or more employees have been the primary payers of medical benefits for certain workers over age 65, with Medicare serving as the secondary payer. Laws in 1984 and 1986 expanded this requirement so that all workers and their dependents who are 65 years old and over are covered primarily by the employer plan.

  Though workers over 65 comprise a relatively small percent of the current labor force, some experts predict a gradual increase in their numbers given legislation which raises the age of Social Security eligibility for full benefits to 66 by 2005.

- **Health benefits for retirees represent one of the fastest growing costs of doing business today.**

  Surveys indicate that anywhere from 61% to 95% of medium and large firms offer health benefits to both their early retirees and to retirees receiving Medicare. The costs of Medicare are also rising — a concern to employers who finance Medicare through payroll taxes. Though companies have extended a variety of cost containment measures to their retirees, few have fully taken advantage of the opportunity to shape health care attitudes and utilization patterns of older workers before retirement.

- **More workers are assuming responsibility for care of elderly and chronically disabled dependents.**

  The Travelers Insurance Co., in a survey of their workers over 30, found that 28% were providing care for an average of 10.2 hours per week to an older relative. Over half of the respondents indi-

cated that additional caregiving responsibilities created stress and interfered with their social and emotional needs. Employee benefit decisionmakers who understand the interaction between health and aging will be able to provide information helpful to their employees who are caregivers.

As employers plan for the coming years, two trends will become increasingly related: the aging of the American population, and the rising costs of health care for workers and retirees.

This report is designed to help you respond to these trends. It provides background information on trends affecting aging, health and work; elicits information on your worksite; and offers strategies for initiating, or extending, health cost management programs to older workers.

How To Use This Report

In each of the following seven sections relevant background information is followed by a set of questions about your company. Answers to these questions will suggest a set of strategies that will assist in efforts to better understand and manage the health care of older workers. *The strategies are compiled in section eight under the categories: Employee Education, Benefit Redesign, Health Program Development, Data Access and Management Education.*

II. Company Size

Purpose of this Section:

1. To provide information about the relationship between company size, the availability of health benefits, and an older workforce.
2. To gather information about your company size.
3. To assign a method for identifying cost management strategies targeting older workers which will be appropriate for your company.

Background

Today, as many employees work for smaller firms as they do for larger businesses. According to data from the U.S. Small Business Administration, 50% of all jobs held in 1986 were in companies with under 500 employees.

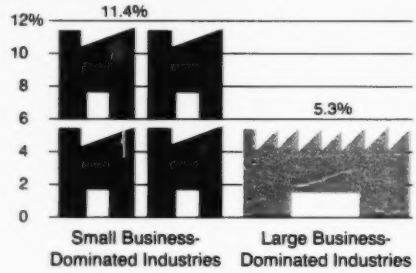
Small businesses, however, are generating more employment growth than large companies. Small firms with fewer than 100 employees represented 35.0% of total employment in 1986, but generated 65.6% of employment growth from 1982 to 1984. As illustrated in Figure 2.1, "small business dominated industries," defined as those with a minimum of 60% of their employment or sales in firms with fewer than 500 employees, added jobs between 1982 and 1984 at a rate almost twice that of industries dominated by large firms.

At the other end of the spectrum, recent mergers and acquisitions are making large companies even larger. The 1986 listing of Fortune 500 companies indicated that 14 of the largest businesses in America purchased other Fortune 500 companies in order to restructure their operations. Large companies, however, are often decentralized, with health care initiatives occurring in business units and subdivisions equivalent to the size of a small or medium company.

While health care coverage has become a nearly universal benefit in large companies, workers in smaller firms are much less likely to be covered by health insurance. According to a 1987 report prepared for the Small Business Administration by ICF Inc., less than half of all

Figure 2.1

Percent Growth in Employment, October 1982–October 1984



Source: U.S. Department of Labor, Bureau of Labor Statistics

workers in very small firms (one to nine employees) work for employers with health plans. This compares to 100% of companies with over 500 employees. The high number of part-time employees in small firms is one reason for the low level of coverage, given that part-time employees are less likely to receive health benefits.

Health insurance costs for smaller employers are usually higher than large employers. Cost savings for large employers come in part through economies of scale related to their increased bargaining power with hospitals and insurers. In addition, large companies are more likely to introduce employee cost sharing into their health plans. Small employers, on the other hand, usually pay all health insurance costs. A 1985 survey of small employers conducted by the National Federation of Independent Business found that more than two-thirds of those surveyed paid the entire health insurance premium and 87% paid more than half the cost.

Though information is limited on the distribution of workers over age 40 by industry size, data from Medicare indicates that workers over 65 are more likely to work for smaller or medium rather than for large firms, and this may, in part, account for the higher health costs in small firms. In 1979, 90% of all workers over 65 were employed in firms with under 500 employees. Although this decreased to 80% in 1983, the figure still indicates that a disproportionate share of the older labor force works in small or medium sized establishments.

In addition, many older workers have probably been with their firms for a long time. According to the Department of Labor, 32.1% of workers over age 45 had been with their current employer for 20 years or more in 1983 as indicated in Figure 2.2.

Implications for Benefit Managers

Access to health coverage may be affected by the aging workforce.

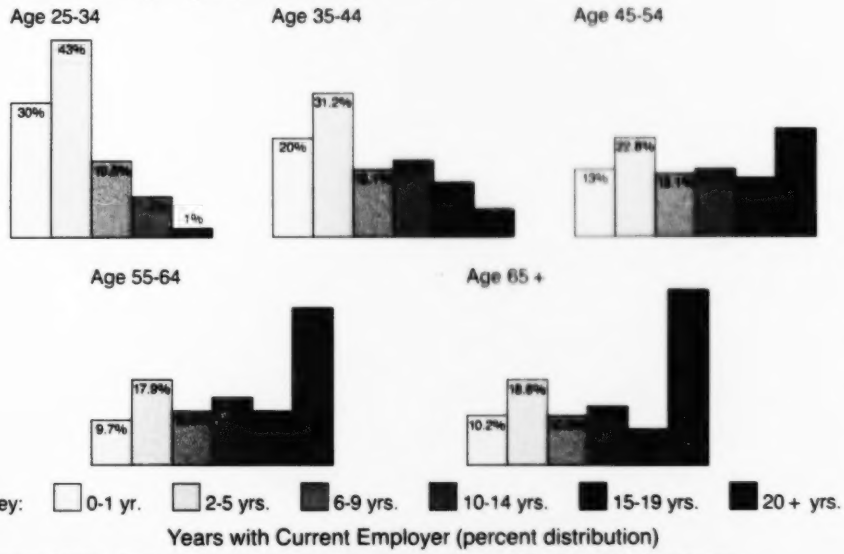
Whatever the size of your company, there are probably a substantial number of employees approaching middle age. Given that these workers are likely to stay with your firm, maintenance of their health will contribute substantially to overall company productivity. This may be particularly important given reports that insurers often snub small groups with a relatively high percentage of workers over 50.

Consider ways health benefit costs may be offset by older worker contributions.

A 1985 survey conducted by Yankelovich, Skelly & White found that an overwhelming majority of employee benefit decisionmakers in all size companies agreed that the cost of older workers is justified by their value to the company. The survey found that companies with over 1,000 employees were more likely to be concerned about the extra costs of health insurance for their older employees. Forty-nine percent of the larger companies felt that older worker health costs were significant compared to total company health care. This may, in part, be due to the fact that larger companies, in general, are more concerned about the health care costs of their employees. The Yankelovich survey found that the cost of health insurance was the issue of greatest concern to companies with over 1,000 employees.

Figure 2.2

Distribution of Workers by Age and Years of Tenure with Current Employer, January 1983



Source: Seghal, Ellen, "Occupational mobility and job tenure in 1983," *Monthly Labor Review* (October 1984).

Management Decisions

Company size affects the degree to which you can devote resources to cost management strategies for workers over 40. This report presents strategies relevant to companies of different sizes. Large corporations may want to respond to some questions with reference to a corporate division or plant, rather than the entire corporation.

After locating your size below, look for the corresponding symbol to identify strategies in the following sections that are particularly relevant to worksites of your size. Strategies designed primarily for smaller companies may also be appropriate for medium and large companies.

Please indicate what size company you are:

- 1–25 employees (small)
- 26–500 employees (medium)
- over 500 employees (large)

III. The Changing Workforce

Purpose of this Section:

1. To provide background information on the aging of America's workforce.
2. To identify the median age of your workforce.
3. To determine whether health benefit strategies targeting older workers in your company should be short- or long-range.

Background

The nature of major life activities undertaken over the life span has changed dramatically during the 20th century. Children today spend more time in school, men and women are spending more time at work, and retirement accounts for a substantial portion of life. On average, males spent 55% of their lives in the labor force in 1980, while women, because of historical work interruptions due to child-rearing, spent 36% of their life as employees.

Early retirement trends account, in part, for the lengthened portion of life spent in retirement. The availability of reduced Social Security benefits and private pension plans have contributed to a decline in the labor force status of older workers. As indicated in Figure 3.1, there are variations in labor force participation between men and women. While the labor force participation of older men has dropped significantly between 1975 and 1984, older women's labor status has varied only slightly.

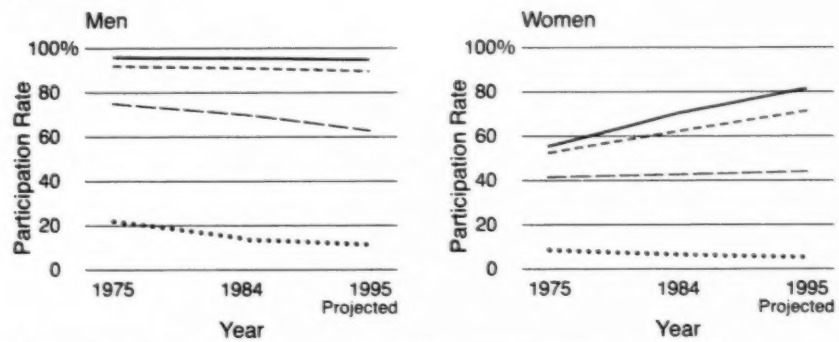
However, the participation of women age 45–54 has increased substantially reflecting the overall increase in labor force participation among women in general.

Early retirement incentive programs offered by some employers is another factor affecting early labor withdrawal in medium and large companies. A recent survey by Hewitt Associates found that 32% of the 169 companies surveyed offered a voluntary separation plan at some time prior to 1986. Seventy-two percent of those plans are early retirement window plans generally directed at employees over age 50. It is interesting to note that survey research by the Washington Business Group on Health indicates that some companies may re-evaluate the costs of early retirement programs. In retrospect, 37% of the 57 companies offering early retirement programs felt that the health benefits for these retirees were more costly than expected.

Figure 3.1

Civilian Labor Force Participation Rates by Sex and Age, 1975-84

Projection for 1995



Source: Bureau of Labor Statistics, 1985* *Handbook of Labor Statistics*, Bureau of Labor Statistics, 1985.

The long-range soundness of early retirement trends is being questioned in light of the aging of the baby boom and the increased longevity of older adults. Americans who reached age 65 in 1984 could expect to live another 16.8 years, or to nearly 82.

At the other end of the age spectrum, labor force economists are concerned about the proportion of younger persons to older adults. Many note the projected steep decline in the number of new entrants to the labor force between the ages of 15 to 24 due to the lower fertility rates of baby boom generation women.

The changing nature of American jobs contributes to the possible extension of work-life. According to labor force projections developed by the Bureau of Labor Statistics, the majority of working older persons are currently employed in those industries that are expected to have the greatest employment increases in the future. These projections indicate that over 70% of the overall increase in employment is expected to occur in the three biggest employers of older persons — services, professional/technical and clerical. The importance of skill and experience in these fields vs. strength and physical ability, will also contribute to the option of work-life extension.

Implications for Benefits Managers

Public health and retirement programs are facing a tighter squeeze on resources.

The fact that people are living longer and families are having fewer children is changing the shape of the "elderly support ratio" (the number of 65 + persons to persons of working age). In 1984, there were 19 elderly persons per 100 of working age. By 2020, the ratio will rise to about 29 per 100. These statistics are cause for concern to policymakers overseeing the financial viability of Social Security and Medicare.

The potential funding problems in public retirement and health programs will influence your employees' attitudes about caring for themselves in retirement. A 1985 survey by Yankelovich, Skelly & White indicated that 64% of Americans 35–44 are either "not too confident" or "not at all confident" that the Social Security system is viable in the future.

Part-time work may become a viable option to extend the worklife.

Seventy-five percent of respondents aged 18–54 surveyed by the National Council on the Aging in 1981 said that they would like to continue some kind of paid part-time work after retirement. A 1985 AARP survey found that 43% of employee benefit decisionmakers also recognize the value of part-time work for retaining older workers. However, only 18% of their companies have begun implementing a policy of offering part-time jobs with health benefits.

Older workers will be increasingly valued.

The recent survey of human resource decisionmakers conducted by Yankelovich, Skelly & White for AARP indicated that older workers are perceived positively by American business. When asked to list strengths of older workers, 72% of the business respondents volunteered experience, skill or knowledge as perceived older worker strengths. Twenty-nine percent also cited the superior work habits of older workers.

Particular segments of business and industry already feel the consequences of labor shortages and are encouraging work life extension. The high numbers of help wanted ads for technically skilled workers in fields like engineering and computer technology are indications of a labor force squeeze. In addition, the number of entry-level jobs is at a record high, particularly in areas of low unemployment. Retailers, fast food chains, and other service industries are designing new recruitment strategies to attract older workers.

Management Decisions

The relative importance of implementing cost management strategies targeting older workers in the near-term vs. the long-term will be related to the number of older employees currently in your workforce.

In order to assess the relative importance of older worker strategies, the median age of your employees will be identified. The median is the age at which exactly one-half your employees are younger and one-half your workers are older. This number is used because national information is available for comparison. To determine the median age of your workforce, arrange the ages of your workers from youngest to oldest. Find that age which splits your workforce exactly in half. If you are a larger company, this information may already be compiled in your pension evaluation report or by your insurer.

If your median age is over 35, your workforce is older than the national average. Information in the following sections may more immediately apply to your company. If your median age is under 35, your workforce is younger than the national average. Information in the following sections may have more long-range relevance in your company.

IV. Health Profiles of the Older Workforce

Purpose of this Section:

1. To provide information on the utilization of health services for adults over 40.
2. To identify sources of information on the utilization patterns of your workforce over 40.
3. To determine strategies for gathering data on the health patterns and needs of your workforce over 40.

Background

Age-related changes in the utilization of health services are due primarily to the different patterns of illness and disease experienced by adults as they grow older. Acute conditions become less frequent with age and chronic conditions become more prevalent. As indicated in Figure 4.1, the incidence of acute conditions such as respiratory illness generally declines with age. The prevalence of chronic conditions such as arthritis, hypertension and heart disease increases with age as shown in Figure 4.2.

The incidence of disability also increases with age. According to the 1981 current population survey, the average age of the working-age disabled is 50; by contrast, the typical non-disabled individual in the working age population is 34 years old. It is important to note, however, that health problems affecting work increase gradually across groups of increasing age: only small differences are usually found between adjacent age groups. In addition, the vast majority (84%) of persons over the age of 45 reported no work disabilities or disabilities in performing their major activity due to health, according to a report by the Senate Committee on Aging.

Equally important with reference to work limitations are older adults' attitudes about their own health status. Data from the 1985 Health Interview Survey indicate that 82% of adults 45–64; and 69% of those over 65 perceive their health as excellent, very good or good.

According to the National Center for Health Statistics, self-assessed health status has been found to be highly associated with a person's use of health care services. For instance, persons who reported excellent health in 1982 spent 3.3 days in bed per person, per year, due to illness or injury and made 2.5 doctor visits, per person, per year. In contrast, those reporting poor health spent 64.2 days in bed and visited doctors 15.3 times per person, per year.

What are the health service utilization patterns of older adults? As shown in Figure 4.3, annual rates of hospital discharge increased with age in 1985, though the highest rate of discharge was experienced by adults 25–34 reflecting the heavy hospital use by women of childbearing age. Days of hospital care also increased with age, with adults age 35–44 utilizing 9.3% of the total days of care compared to 14.1% for adults 55–64 in 1985. Finally, length of stay in hospitals also increases with age as shown in Figure 4.4. Adults 35–44 were under the 1985 average length of stay of 6.5 days while adults between the ages of 55–64 registered an average length of stay of 7.4 days.

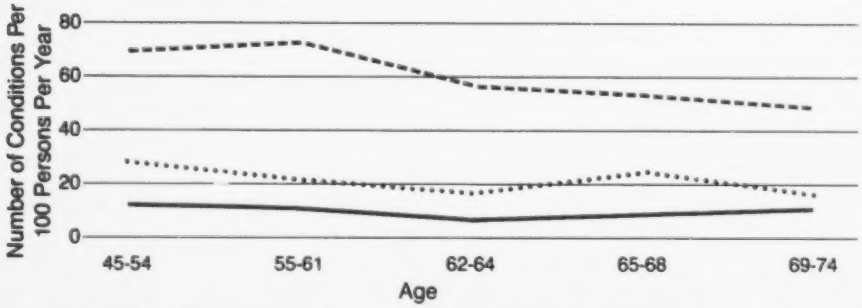
It is important to note that implementation of the Medicare prospective payment system has contributed substantially to a decline in hospital length of stay, particularly for adults over 65. The decline in length of stay for adults 65–74 for 1983 to 1985 was at least twice as high as the decline for those age 25 to 54 triggering concerns about quality of care for older adults.

Examination of hospital data in one large organization also reveals different patterns of hospital admission by age and diagnosis. Figure 4.5 outlines the top 10 illnesses,

Figure 4.1

Acute Conditions Tend to Decrease with Age

Incidence of Selected Acute Conditions Per 100 Persons Per Year, by Age for Persons 45 Years and Over; United States, 1978-79*



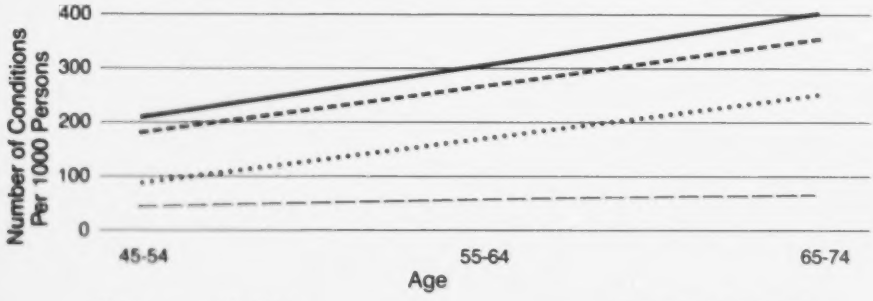
Key: —— Infective and Parasitic Conditions ----- Respiratory Conditions ····· Injuries

Source: National Center for Health Statistics, unpublished data, 1982.

Figure 4.2

Chronic Conditions Tend to Increase with Age

Prevalence of Reported Selected Chronic Conditions Per 1,000 Persons Per Age, for Persons 45 Years and Over; United States, 1979

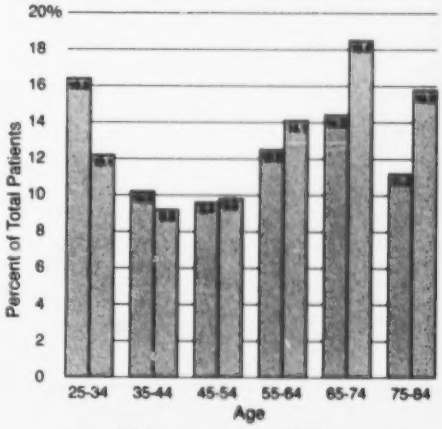


Key: —— Arthritis ---- Hypertensive Disease ····· Heart Conditions — — Diabetes

Source: National Center for Health Statistics, unpublished data, 1982.

Figure 4.3

Percent of Patients Discharged from Short-Stay Hospitals and Percent of Days of Care, United States, 1985

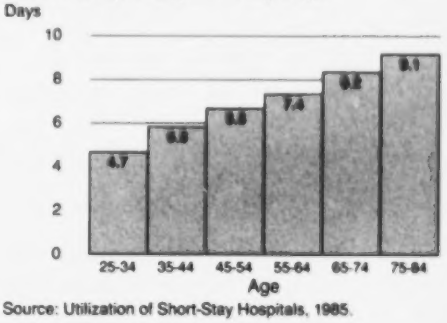


Key: Discharged patients Days of care

Source: Utilization of Short-Stay Hospitals, 1985.

Figure 4.4

Average Length of Stay in Short-Stay Hospitals by Age



Source: Utilization of Short-Stay Hospitals, 1985.

classified by diagnosis-related groups (DRGs) for adults in one large midwestern company. The increasing incidence of heart-related disease is particularly apparent among 50–59 year olds.

When looking at doctor visits in Figure 4.6, it is interesting to note that doctor visits actually decline for adults between the ages of 45–54 before rising to their highest levels for adults over 65. In addition, adults between the ages of 55–64 who registered 12.19% of all doctors visits in 1983 visited their physicians less often than young adults age 15–24 who registered 13.26% of all doctor visits. Both statistics reinforce the finding that most adults over 45 are in good health.

Figure 4.5

Ten DRG's with the Greatest Number of Admissions by Age

Rank	Age 40-49	Age 50-59	Age 60-64	Age 65 and over
1	Non-Surgical Back Problems	Non-Surgical Back Problems	Esophagitis & Gastroent. & Misc. Digestive	Lens Procedures
2	Hysterectomy	Esophagitis & Gastroent. & Misc. Digestive	Chronic Obstructive Pulmonary Disease	Heart Failure & Shock
3	Esophagitis & Gastroent & Misc. Digestive Disorder	Diabetes	Non-Surgical Back Problems	Arteriosclerosis
4	Alcohol & Substance Abuse	Unrelated Operating Room Procedure	Diabetes	Esophagitis & Gastroent.& Misc. Digestive Disorder
5	Psychosis	Heart Attack	Angina Pectoris	Chronic Obstructive Pulmonary Disease
6	Dilation & Curretage	Agina Pectoris	Arteriosclerosis	Simple Pneumonia & Pleurism
7	Diabetes	Cardiovascular Disorder Other Than Heart Attack	Heart Attack	Specific Cerebrovascular Disorders
8	Surgical Back & Neck Procedures	Chronic Obstructive Pulmonary Disease	Lens Procedures	Unrelated Operating Room Procedure
9	Unrelated Operating Room Procedure	Alcohol & Substance Abuse	Unrelated Operating Room Procedure	Angina Pectoris
10	Hernia	Psychosis	Respiratory Neoplasms	Diabetes

Source: Unpublished large company data.

Implications for Benefit Managers

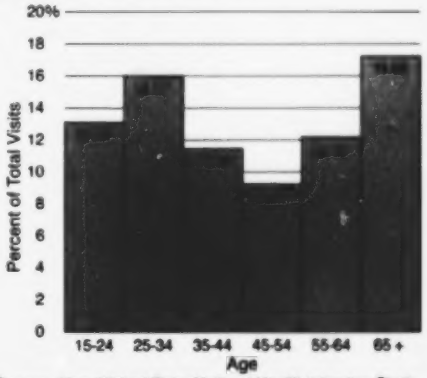
Health promotion is relevant for older workers.

Many of the chronic conditions developed by older adults can be successfully managed. Visual and hearing impairments are not commonly thought of as disabling given the remedies available. Medical and drug regimes have allowed workers with hypertension, heart conditions and diabetes to work long productive years.

Health promotion strategies change over time. As indicated in Figure 4.7, the causes of death differ over the life span. The fact that motor vehicle accidents account for a high number of deaths of young adults may result in the need to target seat belt programs to males between the ages of 25 and 35. As adults move into middle age, heart disease becomes predominant, again pointing to the need for targeting prevention strategies.

Figure 4.6

Doctors Visits by Age



Source: Unpublished Data, National Health Interview Study, National Center for Health Statistics, 1983.

Employers can contribute to the management of chronic diseases.

Some employers are recognizing the value of extending a case management concept to chronic disease management. Simply stated, case management refers to the organization and sequence of services and resources to respond to an individual's health care problem. Currently, case management tends to focus on catastrophic illnesses such as spinal cord injuries or organ transplants. Few recognize that the costs of not attending to chronic disease, or not attempting to prevent it, can become equivalent to the costs of catastrophic illness. Efforts to promote the self care of individuals with chronic illnesses to prevent further disability should be an important part of any management effort.

Regional variations in treatment may contribute to utilization.

Procedures used to treat the leading diagnostic categories for older workers vary widely from region to region. Small area analysis research

looks at geographic variations in the use of procedures, hospitalizations and other medical services which are not satisfactorily explained by population characteristics such as age, sex, income or underlying health status or need. As indicated in Figure 4.8, a 50 year old female employee living in Stockton, California is much more likely to have a hysterectomy than a similar 50-year old female employee in Iowa City, Iowa.

Dr. John Wennberg, a leading small area analysis researcher has written that the most variable medical practice procedures are often for conditions that are part of the aging process. Differences in treatment arise because of the absence of well designed clinical trials which establish consensus on the preferred place or style of treatment for diseases accompanying aging.

Given the wide variability of procedures performed on workers over 40, the importance of corporate health care cost management programs targeting this group becomes particularly important. Second surgical opinion programs and utilization review of highly variable procedures are two specific actions many employers have instituted.

Figure 4.7

Top Ten Causes of Death by Age, 1977

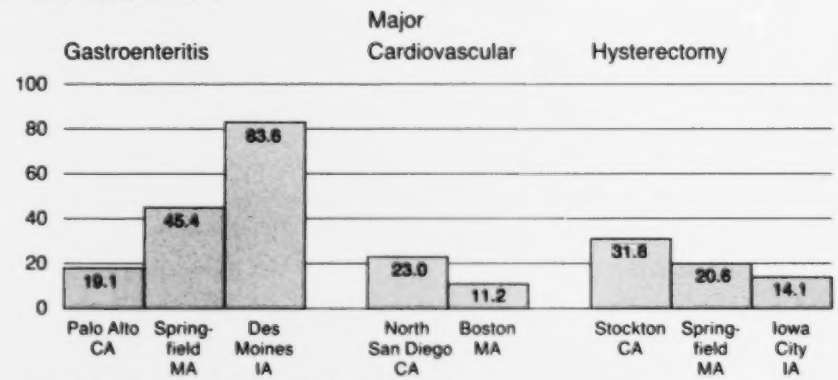
Rank	Age 25-44	Age 45-64	Age 65 and over
1	Cancer	Heart Disease	Heart Disease
2	Heart Disease	Cancer	Cancer
3	Motor Vehicle Accidents	Stroke	Stroke
4	All Other Accidents	Cirrhosis of the Liver	Influenza and Pneumonia
5	Suicide	All Other Accidents	Arteriosclerosis
6	Homicide	Suicide	Diabetes Mellitus
7	Cirrhosis of the Liver	Motor Vehicle Accidents	All Other Accidents
8	Stroke	Diabetes Mellitus	Bronchitis, Emphysema & Asthma
9	Influenza and Pneumonia	Influenza and Pneumonia	Cirrhosis of the Liver
10	Diabetes Mellitus	Bronchitis, Emphysema & Asthma	Motor Vehicle Accidents

Source: Based on data from the National Center for Health Statistics, Division of Vital Statistics

Figure 4.8

Frequency of Hospitalization or Operations

(Per 10,000 population)



Source: John Wennberg, M.D., Dartmouth Medical School.

Management Decisions

To design effective cost management programs for older workers you need access to information on employee health status and use of health services. Following are suggestions about information or information sources which might be helpful in targeting cost-management strategies to older workers. Strategies for smaller companies are differentiated *by symbols* from those appropriate for medium and large companies.

1. Determining the Health Care Concerns of Workers Over 40

- Hold an annual meeting to discuss health benefits; leave time for questions and answers and note concerns of older workers.
- Implement a year-end evaluation of your benefit plans, including an evaluation from employees; investigate age-related differences in satisfaction.
- Establish procedures for handling questions and concerns of workers of all ages about health benefits.
- Conduct an employee survey to collect information on the use of health services, participation in cost-management strategies and perceived gaps in service; look at responses by age categories.
- Establish a benefit advisory group with older worker representation to help design appropriate benefits.
- Survey retirees to learn what health strategies would have been beneficial prior to their retirement.

2. Determining the Health Care Utilization Patterns of Workers over 40

- Request information from your insurer about utilization patterns by age in groups similar to your own.
- Provide information and incentives for workers on the importance of monitoring their own health.
- Request that your insurer or health data management division incorporate age into existing reports on health care utilization (hospital admissions, length of stay, etc.).
- Establish a baseline of age-related utilization which can be monitored over time and be used in targeting communication strategies.
- Investigate the incidence of chronic vs. acute related utilization patterns in order to design appropriate prevention strategies.
- Examine age and health utilization information gathered in health risk appraisals.
- Examine data on disability cases to see age of onset, type of disability and relevance for prevention.
- Investigate retiree health benefit utilization patterns to help design appropriate prevention strategies.

V. Company Health Cost Management Profile

Purpose of this Section:

1. To provide background information on health cost management and the concerns of older workers.
2. To gather information about the health benefit options and cost management strategies in your company.
3. To determine strategies for targeting cost management efforts to older workers.

Background

The escalation of health care costs has become a major concern of employers nationwide. Statistics from the 1984 U.S. Chamber of Commerce annual employee benefits survey show the dramatic increase in insurance payments. In 1951, employers paid an average of $47 per hourly employee for insurance, 88% of which covers health insurance. The average yearly outlay per employee in 1984 was $1,581, as indicated in Figure 5.1.

To better control health care costs, companies have implemented numerous cost management strategies nationwide. Some strategies, such as health maintenance organizations (HMOs), offer a comprehensive alternative delivery system on a pre-paid basis. In 1985, HMOs were providing coverage to 19 million enrollees nationwide, a 52% increase since 1983. Another new system, termed a Preferred Provider Organization (PPO), offers health care services from a limited group of providers who have prospectively negotiated prices. Employees are then encouraged to use these providers through incentives in their health plans. Trade group representatives estimate that 17.1 million people had a PPO option available to them in 1986.

Other cost management strategies seek to move patient care to less expensive settings. These strategies include home health care, and incentives to use outpatient or ambulatory health centers. Finally, some companies attempt to control health care costs through second opinion programs and various types of utilization review.

Figure 5.1

Insurance Payments Per Year Per Employee, 1951-1984

Source: U.S. Chamber of Commerce

Focus group research done by AARP with workers over age 50 gives some indication of the older adult's perspective on various cost management strategies. They cited the following concerns:

Preferred Provider Organization (PPOs): Many older employees had never heard of PPOs and immediately questioned the caliber of doctors in such a practice. They worried about increased patient volume and "discount" care.

Outpatient Surgery: Outpatient surgery was viewed positively by most participants (as a "return to basics") but with some skepticism by others as to the actual working of this alternative.

Preadmission Certification: Most of the participants were familiar with the idea of pre-admission certification and saw it as an effective means of controlling costs. They raised concerns about emergencies and didn't understand that pre-authorized certification for a hospital admission would only apply in non-emergency situations.

Second Surgical Opinions: These were viewed as an effective means of providing useful information to the patient. Again, the participants were concerned about how second opinions would work in an emergency and were confused about whether insurance would cover the cost of the second opinion.

Health Maintenance Organization (HMOs): Most of the participants were familiar with the concept of HMOs. Again, major reservations were voiced about this option. Participants felt that they would not join an HMO unless their own physician were on staff and also questioned the quality of HMO physicians.

The propensity of older workers to reject HMOs has been documented by a number of employers looking at the age spread of HMO enrollees. This can impact the overall costs of an employer's health benefit program. If a disproportionate share of younger employees join HMOs, they leave the older worker with higher health costs in the company's traditional indemnity plan. Under current law, this adverse selection can increase overall corporate health costs.

On the other hand an increasing number of adults over 65 are joining HMOs under a Medicare program initiated in 1985. Currently about 150 HMOs participate in the HMO program with an enrollment of over 900,000 older persons. Advantages of HMO membership for a Medicare beneficiary include specified premium amounts, preventive health services, no medical claim forms and HMO physicians who accept Medicare reimbursement as payment-in-full for services rendered. As current enrollees mature and the Medicare program continues to grow, HMOs will increasingly become a viable health care alternative for older workers.

The National Research Corporation's study of consumer's attitudes and use of health care alternatives revealed some age-related differences. For example, older consumers are less likely to know about outpatient services. While 80% of consumers aged 18–54 are aware of outpatient services available at hospitals, only 70% of those aged 55 and older knew about them. Interestingly, the use of urgent care centers did not vary much by age in the survey, with only 15% of all households using an urgent care center in 1984. Older respondents indicated that convenience of location was a factor in their choice.

Another important trend affecting health benefits is the growing employer interest in flexible benefit plans. The plans generally allow employees to choose from a "menu" of benefits including medical insurance, retirement income, child care or compensation. A recent survey report by A.S. Hansen indicates that 14% of the 861 employers responding currently offer a flexible benefit program, with the majority reporting that it is helpful in reducing or controlling health care costs.

Flexible benefits may offer a mechanism to maintain and/or improve benefit coverage for older workers as their needs change. For example, focus group research indicated that workers over 50 anticipated the need for coverage in the following areas: in-home care; hospice coverage; prescription drugs; nursing home care; and protection from becoming a financial burden on their children.

Implications for Benefit Managers

Employees can be partners in controlling health costs.

Many American companies are moving away from simply paying for employee health benefits to managing the care available to their employees. Employee education about the magnitude of health care costs and the steps needed to better control costs comprise an important component of any long-range employer-sponsored cost management strategy.

Despite its importance, communicating change about health care cost management is one of the more difficult responsibilities of corporate benefits staff. In a 1985 survey conducted by the Equitable, 47% of corporate benefit officers rated communicating with employees about health benefit changes a "somewhat," or "very difficult" task. Forty-seven percent also felt that employees only "somewhat" understood the necessity for changes in health care plans.

Some may be unprepared to make wise health choices.

Workers are now faced with making decisions about what type of plan to enter, and how they will use that plan. Choice is often tied to incentives and disincentives in keeping with the approach of managing care. Employees need to understand these incentives, again underscoring the importance of employee education in encouraging informed choice.

Older employees need more information on alternative delivery systems.

Communicating information about alternative health delivery systems to workers over 40 is particularly important given their historical experience with a more static health care system. The majority of workers over 50 participating in AARP-sponsored focus group research chose to stay in their company's traditional health plan. Even so, they did not see themselves as knowledgeable regarding the content of their health coverage. Information booklets, generally the primary method of communicating with workers about health benefits, were "difficult to understand," according to these workers.

Management Decisions

The degree to which strategies can be designed to increase an older worker's understanding of and participation in cost management programs will depend on the current programs utilized in your company. Following are strategies which could be used to target cost management efforts to older workers. *Strategies for smaller companies are differentiated by symbols from those appropriate for medium and large companies.*

1. Altering Benefit Plan Provisions to Meet the Needs of an Aging Workforce

- Work with other small employers to improve benefits for older workers in a group insurance plan.
- Investigate coverage of preventive services such as periodic physical exams, hypertension and cholesterol screening or mammographies.
- Review your health benefit plans to check the adequacy of coverage for services related to chronic disease, disability and sense impairments (hearing, vision).
- Offer pro-rated health benefits to part-time workers.
- Investigate the feasibility of instituting employee benefits which recognize needs of caregivers (flex-time, use of sick days).
- Investigate the feasibility of implementing or altering flexible benefit plans to include benefits relevant to an older worker.
- Examine strategies to allow/encourage workers to accumulate savings for long term care needs.

2. Offering an HMO Option

- Investigate the age of the enrollees in the HMO or PPO to see whether workers over 40 are joining.
- Check to see if preventive services offered by the HMO are relevant to workers over 40.
- Ensure that HMOs are accessible to workers of all ages.
- Check the availability of specialists most often needed by workers over 40 (cardiologists, oncologists, geriatricians).
- Work with HMOs and PPOs to encourage recruitment of established community physicians in order to counteract adverse selection.

3. Implementing Cost Management Strategies

- Review cost management strategies to see whether there are age-related differences in use.
- Clarify and communicate procedures followed in emergencies under various cost management programs (second opinions, pre-admission certification).
- Investigate use of second opinion programs, particularly with reference to highly variable procedures performed on workers over 40 (hysterectomies, heart surgery).
- Arrange visits to alternative delivery sites, such as emergi-centers or ambulatory care facilities to familiarize older workers with available services.
- Explore the feasibility of extending current case management programs to chronic disease management.

4. Communicating with Workers Over 40

- Review current health benefit information.
  - Are terms explained clearly in benefit booklets?
  - Are examples used to explain benefits relevant to older workers?
  - Are there pictures of older workers using facilities?
  - Do audio-visual health materials deal with the concerns of older adults?
- Use informal mechanisms to communicate health information to older workers (bulletin boards, pamphlet rack, self-administered quizzes).
- Include information relevant to older workers in payroll envelopes or other mailings.
- Invite community representatives to present informal talks over lunch on topics relevant to older workers (American Heart Association, American Cancer Association, etc.)
- Establish or extend employee recognition programs to include recognition of healthy years of service.
- Institute mechanisms for feedback on adequacy of health benefits (suggestion box, hot-line, newsletter survey).
- Use corporate newsletters to provide information on health topics relevant to older workers.
- Target health information to long service employees through existing clubs such as "20 year clubs" or "quarter century clubs."
- Explore the feasibility of peer one-on-one counseling for older workers on health-related topics.

VI. Worksite Wellness Activities

Purpose of this Section:

1. To provide background information on trends in worksite wellness programs.
2. To collect information on your company's involvement in worksite wellness activities.
3. To determine strategies for increasing older worker participation in worksite wellness.

Background

In addition to developing strategies to manage the cost and utilization of health services, many companies have recognized the value of encouraging their employees to participate in health promoting activities. Given the predominance of work in many people's lives, the workplace has become an important place for the identification and alteration of health problems.

Why do companies get involved in wellness activities? Experts cite four reasons: (1) Improving employee relations; (2) Improving productivity; (3) Containing health care costs; and (4) Improving the company image in the community.

Corporate activities range from implementing corporate-wide policies, such as no-smoking requirements, to building or converting space to be used for fitness activities at the worksite. Generally, corporate wellness activities fall into the following categories:

- **Wellness/Lifestyle Activities**

Physical Fitness
Nutrition
Weight Reduction
Smoking Cessation
Stress Management
Medical Self-Care Support Groups

- **Screenings, Monitoring & Follow-up**

Blood Pressure
Serum cholesterol
Glaucoma
Diabetes
Health Risk Appraisal
Corporate Sponsored Physicals

- **Safety & Accident Prevention**

Defensive Driving
CPR
Seat Belt

Though medical research is still underway, initial evidence indicates the effectiveness of health promotion activities, particularly with reference to smoking cessation, hypertension control, weight reduction and exercise. In a landmark 1979 study, Kimberly-Clark Co. found that a worksite fitness program produced beneficial changes in coronary heart disease risk factors and in psycho-social variables including employee morale.

According to several surveys, companies who have implemented wellness activities generally feel the programs pay off in reduced health care costs and utilization. Fifty-six percent of the 75 companies evaluating their wellness programs in a 1984 Business Roundtable Survey considered them successful. Often health care cost reductions are dramatic. For example, Mesa Petroleum, a large American oil company found a 19.8% reduction in health care claim costs after the first full year of an employee wellness program. Researchers at AT&T estimate that the medical cost savings accruing from a pilot heart attack prevention program will be $22.4 million over a 10 year period.

Wellness activities are not limited to large corporations. Given the lean staffing of small companies, worker absenteeism and disability can have a disproportionately greater impact on productivity. In smaller companies, the greater use of community health resources may replace elaborate in-house facilities.

Employers are extending their wellness activities to address the mental well being of employees and retirees. Employee assistance programs

which have traditionally focused on drug and alcohol problems, are now expanding to address worker problems relating to family stress, financial crisis and other mental health issues.

In addition, pre-retirement planning is becoming an accepted employee benefit. These programs seek to make information on topics such as retirement income, finances, legal issues, housing and leisure activities available to workers considering retirement. Health is usually a topic covered in most pre-retirement programs, but the discussion is often limited to Medicare. A 1985 survey by the Washington Business Group on Health found that only 25% to 50% of responding companies provided information in their pre-retirement programs on any of the following topics: nutrition, exercise, community health resources, hospice programs, and drug education.

Implications for Health Benefit Managers

Wellness activities can have a significant impact on the health of older adults.

Illness and disease among older adults can be reduced through participation in health and wellness programs. A 1986 study of Harvard alumni, for example, has shown that lifetime fitness activity is associated with increased longevity.

Wellness programs that are begun later in life can have important health outcomes. Data from the landmark Chicago Stroke Study conducted in the late sixties have shown that older adults who quit smoking, even if they have smoked for as much as 40 to 50 years, can significantly lower their risk of dying of coronary heart disease. Studies in the early seventies at the University of Southern California indicated that both walking and bicycling often are more effective than tranquilizers in reducing anxiety in older adults.

Targeted approaches may be needed to stimulate participation in wellness activities among older workers.

There is little research on attitudes toward, or participation in, health promotion and prevention activities by workers over 40. Reports of health behavior among older people suggest, however, that this segment may have misperceptions about the importance of maintaining healthy lifestyles. According to the National Center for Health Statistics, only 31% of adults age 45–64 reported receiving regular exercise when interviewed in the 1985 National Health Interview Survey. Indeed some reports have indicated that older adults believe their need for exercise diminishes as they grow older or that health promotion is for young people.

A telephone survey of 1,000 consumers conducted by the National Research Corporation indicated that those most likely to be involved in a wellness or health education program are age 25 to 44. Only 18% of the population 45–54; 16% of the population 55–64 and 15% of the population over 65 have ever taken part in a wellness program. Many worksite wellness programs may unintentionally reinforce notions that older adults are not good candidates for wellness activities. For example, using rock and roll as background for fitness activities or young role models in weight reduction classes are potentially inhibiting to workers over 40.

Management Decisions

The degree to which strategies can be designed to increase an older worker's understanding of, and participation in, wellness activities will depend on the current programs you offer. Following each question are strategies which could be used to target current wellness programs too. *Strategies for smaller companies are differentiated by symbols from those appropriate for medium and large companies.*

1. Implementing Wellness Activities which Target Workers Over 40

- Expand physical fitness programs to include walking programs.
- Encourage stretching exercises which workers of all ages can do at their desks.
- Identify and publicize community-based physical fitness programs targeting workers over 40.
- Sponsor teams which include workers of all ages.
- Accommodate special dietary needs in employee eating areas (decaffeinated coffee, salt substitutes, low fat products).
- Explore the feasibility of developing fitness/recreation programs of potential appeal to older workers (golf, bowling, square dancing).
- Ensure that fitness goals are age-adjusted and emphasize individual achievement vs. absolute achievement.
- Start a stress management program for caregivers of elderly relatives.
- Train fitness staff about the particular needs of older adults.

2. Implementing Health Screening or Health Education Programs

- Encourage older workers' participation in community health fairs — particularly those providing screening for glaucoma, high blood pressure, cholesterol and diabetes.
- Provide on-site screening for diseases related to aging.
- Invite community representatives to discuss issues of concern to older workers.
- Encourage the corporate medical department to sponsor a series on prevention and aging.
- Use the company corporate cafeteria as a site for an osteoporosis awareness campaign.

3. Pre-retirement Planning Programs

- Make self-paced pre-retirement programs available to older workers; ensure quality of health section.
- Examine your current pre-retirement planning program to evaluate coverage of health topics beyond corporate health benefits and Medicare.
- Incorporate information on prevention, community health and aging resources and cost management strategies into your pre-retirement program.
- Investigate lowering the age of participation in pre-retirement planning programs and changing focus of sessions to life-planning.
- Explore the feasibility of inviting retirees back to participate in health sections.

VII. Attitudes and Perceptions of the Older Workers

Purpose of this Section:

1. To provide information about employer attitudes and perceptions of the older worker.
2. To gather information about current activities to increase management understanding of aging, work and health.
3. To determine strategies for implementing management education programs on the aging workforce.

Background

Attitudes toward the older worker are often shaped by fundamental misconceptions about aging. One of these "myths" of aging is the view that older workers are more likely to sustain work-related injuries. Contrary to the myth of being more accident-prone, however, older workers have fewer workplace accidents than younger workers. As indicated in Figure 7.1, studies by the Bureau of Labor Statistics found that in 1983 workers 55 and older accounted for under 9% of all workers compensation claims, while workers age 25–34 accounted for 32%. Once injured, though, older workers tend to remain off the job longer than younger employees.

Another age stereotype affecting the workplace is that older workers resist change. In a 1985 study conducted by AARP, researchers found that while managers perceived older workers as experienced and skillful, 41% of them believed that older workers were "resistant to new ways."

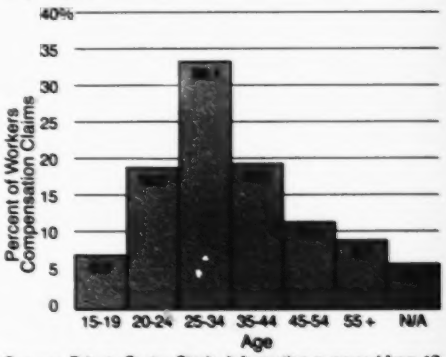
A Harvard Business Review study confirmed this belief. Given a scenario involving "problem employees," the most common management recommendation to solve the problem for younger employees was to engage in "an encouraging talk," while the strategy for the older worker was reassignment to another task.

The myths of aging often affect the hiring of older workers. Information from the Bureau of Labor Statistics indicates that older workers who lose their jobs are likely to remain unemployed longer than younger workers. As shown in Figure 7.2, the time required to find a new job increases from a low of eight weeks for teenagers to nearly 23 weeks for workers age 55–64. This often reflects an employer's view that older workers are less productive, less capable and more costly than younger employees.

Management beliefs that older employees are costly have led to the view that greater incentives should be provided for early retirement. Yet, in a study of the age-related employment costs at the

Figure 7.1

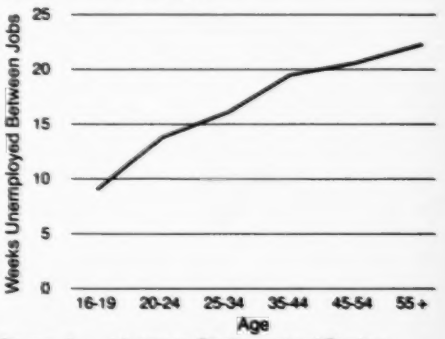
Workers Compensation Charges By Age, 1983



Source: Private Sector Study; Information averaged from 12 states. Supplementary Data System, Table 240, Bureau of Labor Statistics, 1983.

Figure 7.2

Average Length of Unemployment Episodes By Age, 1985



Source: Annual Averages, Employment and Earnings, Bureau of Labor Statistics, 1986

Travelers Insurance Company, researchers found that while overall health care costs were higher for older workers, sick leave, worker compensation costs and turnover rates were all highest among younger employees.

The effectiveness of programs to accommodate and manage the health care needs and concerns of older workers is often tied to the level of management support for such programs. In a 1985 analysis of corporate sponsored chronic illness management programs, researchers at the University of Southern California found that the success rate of health promotion programs was related to the level of support for those programs by management. Management support was considered especially important in encouraging participation among older workers in wellness programs. Support from top management was considered vital in the development and start-up phase of the wellness program, while support from middle managers and work supervisors was important for day-to-day effectiveness.

Myths regarding older workers can and should be eliminated.

Many of the views associated with the performance of older workers reflect the effects of job obsolescence and the lack of training and education. The changing nature of work, influenced by technological innovation, will require workers of all ages to be trained in the skills necessary for effective functioning in the workplace. Failure to train older workers may result in an increase in employer costs and reinforcement of the myths of aging.

Management support is essential for programs targeting the needs of older workers.

Managers are beginning to be trained in the special needs and concerns of the older worker. Seminars on age discrimination, on the "Myths of Aging" and on topics relevant to older workers are becoming part of affirmative action and other management training programs. Managers will need to learn that older workers have both special needs and can provide special resources.

Stereotypes about aging will affect efforts to include older workers in health promoting activities.

The fact that older workers are often under-represented in alternative health care delivery systems and in corporate-sponsored health promotion programs may be related to the belief that older workers are less receptive to change and innovation. Reports from health program managers have indicated, however, that it is often the design of programs and management attitudes toward older workers that affect participation. In companies that have designed wellness programs to incorporate the special needs or interests of older adults, such as walking programs, square dancing and family health seminars, participation by older workers is enthusiastic. In addition, strong support by corporate medical department managers has been found to have a major impact in encouraging older worker participation in alternative delivery and health promotion programs.

Management Decisions

The extent to which managers in your company are knowledgeable about aging, work and health will determine their ability to respond to the challenge of an aging workforce.

Strategies to increase management understanding of issues related to age are presented below. *Strategies for smaller companies are differentiated by symbols from those appropriate for medium and large companies.*

1. Management Perceptions of Older Workers

- Ensure understanding of, and compliance with, the Age Discrimination in Employment Act which affects all employers with at least 20 employees.
- Subscribe to *Working Age*, the free AARP publication that is devoted to ensuring that productivity and not age, is the primary criterion in business decisions. Write: AARP, 1909 K St. N.W., Washington, D.C. 20049.
- Survey managers to determine their attitude toward aging and older workers.
- Investigate the feasibility of official corporate policies on aging, work and health.
- Develop an interdepartmental task force including representatives from the corporate medical, employee assistance, legal, employee benefits, human resources and public affairs departments to examine corporate issues relating to the aging of the workforce.

2. Management Awareness of Older Worker Health Care Concerns

- Invite representatives of aging organizations to provide information to managers on aging, work and health.
- Encourage management participation in conferences and workshops on aging, work and health.
- Request that business organizations such as Chambers of Commerce, local business coalitions on health or trade associations, sponsor sessions on aging.
- Update management training materials to include sections on aging.
- Encourage your corporate medical department to brief managers on the health concerns of older workers.

VIII. Conclusion

Peter Drucker, in his classic 1973 study, *Management*, wrote that one of the great opportunities for corporate innovation lay in "the exploitation of the consequences of events that have already happened but have not yet had their economic impacts." Among the most important of these events, Drucker noted, are demographic developments.

The previous chapters have illustrated how the aging of the American population is a dramatic demographic development that will continue to have an impact on work and health. The special health care concerns and utilization patterns of older workers have led us, in turn, to suggest the strategies compiled below. The strategies are by no means exhaustive. They represent an attempt to stimulate initial action and further thought on ways to improve the health of older workers without increasing the cost to employers. *Strategies for smaller companies are differentiated by symbols from those appropriate for medium and large companies.*

I. Employee Education Strategies

- Hold an annual meeting to discuss health benefits; leave time for questions and answers and note concerns of older workers.
- Establish procedures for handling questions and concerns of workers of all ages about health benefits.
- Provide information and incentives for workers on the importance of monitoring their own health.
- Clarify and communicate procedures followed in emergencies under various cost management programs (second opinions, pre-admission certification).
- Review your current health benefit information. Are terms explained clearly in benefit booklets? Is a question/answer format used to explain procedures? Are examples used to explain benefits relevant to older workers? Are there pictures of older workers using facilities? Do audio-visual health materials deal with the concerns of older adults?
- Use informal mechanisms to communicate health information to older workers (bulletin boards, pamphlet rack, self-administered quizzes).
- Identify and publicize community-based physical fitness programs targeting workers over 40.
- Encourage the participation of older workers in community health fairs — particularly those providing screening for glaucoma, high blood pressure, cholesterol and diabetes.
- Make self-paced pre-retirement programs available to older workers; ensure quality of health section.
- Arrange visits to alternative delivery sites, such as emergicenters or ambulatory care facilities to familiarize older workers with available services.
- Include information relevant to older workers in payroll envelopes or other mailings.
- Invite community representatives to present informal talks over lunch on topics relevant to older workers (American Heart Association, American Cancer Association, etc.).
- Establish or extend employee recognition programs to include recognition of healthy years of service.
- Institute mechanisms for feedback on adequacy of health benefits (suggestion box, hot-line, newsletter survey).
- Invite community representatives to discuss issues of concern to older workers.
- Use corporate newsletters to provide information on health topics relevant to older workers.
- Target health information to long service employees through existing clubs such as "20 year clubs" — "quarter century clubs."
- Explore the feasibility of peer one-on-one counseling for older workers on health-related topics.
- Use the company cafeteria as a site for an osteoporosis awareness campaign.

II. Benefit Redesign Strategies

- Work with other small employers to improve benefits for older workers in a group insurance plan.
- Investigate coverage of preventive services such as periodic physical exams, hypertension and cholesterol screening or mammographies.
- Review your health benefit plans to check the adequacy of coverage for services related to chronic disease, disability and sense impairments (hearing, vision).
- Offer pro-rated health benefits to part-time workers.
- Check to see if preventive services offered by the HMO are relevant to workers over 40.

- Ensure that HMOs are accessible to workers of all ages.
- Check the availability in alternative delivery systems of specialists most often needed by workers over 40 (cardiologists, oncologists, geriatricians).
- Explore the feasibility of extending current case management strategies to chronic disease management.
- Investigate the feasibility of instituting employee benefits which recognize needs of caregivers (flextime, use of sick days).
- Investigate the feasibility of implementing or altering flexible benefit plans to include benefits relevant to an older worker.
- Examine strategies to allow/encourage workers to accumulate savings for long term care needs.
- Work with HMOs and PPOs to encourage recruitment of established community physicians in order to counteract adverse selection.

III. Health Program Development

- Expand physical fitness programs to include walking programs.
- Encourage stretching exercises which workers of all ages can do at their desks.
- Sponsor teams which include workers of all ages.
- Accommodate special dietary needs in employee eating areas (decaffeinated coffee, salt substitutes, low fat products).
- Explore the feasibility of developing fitness/recreation programs of potential appeal to older workers (golf, bowling, square dancing).
- Ensure that fitness goals are age-adjusted and emphasize individual achievement vs. absolute achievement.
- Start a stress management program for caregivers of elderly relatives.
- Provide on-site screening for diseases related to aging.
- Examine your current pre-retirement planning program to evaluate coverage of health topics beyond corporate benefits and Medicare.
- Incorporate information on prevention, community health and aging resources and cost management strategies into your pre-retirement program.
- Investigate lowering the age of participation in pre-retirement planning programs and changing the focus of sessions to life-planning.
- Explore the feasibility of inviting retirees back to pre-retirement sessions to participate in health sections.
- Train fitness staff on the particular needs of older adults.
- Encourage the corporate medical department to sponsor a series on prevention and aging.

IV. Data Access Strategies

- Implement a year-end evaluation of your benefit plans, including an evaluation from employees, investigate age-related differences in satisfaction.
- Request information from your insurer about utilization patterns by age in employer groups similar to your own.
- Investigate the age of the enrollees in the HMO or PPO to see whether workers over 40 are joining.
- Review cost management strategies to see whether there are age-related differences in use.
- Conduct an employee survey to collect information on the use of health services, participation in cost-management strategies and perceived gaps in service; look at responses by age categories.
- Establish a benefit advisory group with older worker representation to help design appropriate benefits.
- Request that your insurer or health data management division incorporate age into existing reports on health care utilization (hospital admissions, length of stay, etc.).
- Establish a baseline of age-related utilization which can be monitored over time and be used in targeting communication strategies.
- Investigate the incidence of chronic vs. acute related utilization patterns in order to design appropriate prevention strategies.
- Examine age and health utilization information gathered in health risk appraisals.
- Examine disability data to check age on onset, type of disability and relevance for prevention.
- Investigate use of second opinion programs, particularly with reference to highly variable procedures performed on workers over 40 (hysterectomies, heart surgery).

- Survey retirees to learn what health strategies would have been beneficial prior to their retirement.
- Investigate retiree health benefit utilization patterns to help design appropriate prevention strategies.

V. Management Education Strategies

- Ensure understanding of, and compliance with, the Age Discrimination in Employment Act which affects all employers with at least 20 employees.
- Subscribe to *Working Age*, the free AARP publication that is devoted to ensuring that productivity and not age, is the primary criterion in business decisions. Write: AARP, 1909 K St., N.W., Washington, D.C. 20049.
- Invite representatives of aging organizations to provide information to managers on aging, work and health.
- Survey managers to determine their attitudes toward aging and older workers.
- Encourage management participation in conferences and workshops on aging, work and health.
- Request that business organizations such as Chambers of Commerce, local business coalitions on health or trade associations sponsor sessions on aging.
- Update management training materials to include sections on aging.
- Encourage your medical department to brief managers on the health concerns of older workers.
- Investigate the feasibility of official corporate policies on aging, work and health.
- Develop an interdepartmental task force including representatives from the corporate medical, employee assistance, legal, employee benefits, human resources and public affairs departments to examine corporate issues relating to the aging of the workforce.

Notes:

Washington Business Group on Health

Institute on Aging, Work and Health
Washington Business Group on Health
229½ Pennsylvania Avenue, S.E.
Washington, DC 20003
(202) 547-6644

AARP

Worker Equity Initiative
American Association of Retired Persons
1909 K Street, NW
Washington, DC 20049
(202) 662-4958

Printing made possible by a grant from
The Merck Company Foundation